

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO
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IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF DIRECT LEASE TO
HAWAII HIS CORPORATION dba H.I.S. HAWAII
HONOLULU INTERNATIONAL AIRPORT
TMK: (1) – 1-1-03:PORTION OF 50

OAHU

APPLICANT:

Hawaii HIS Corporation dba H.I.S. Hawaii, a Hawaii corporation

LEGAL REFERENCE:

Section 171-59(b), Hawaii Revised Statutes

LOCATION AND TAX MAP KEY:

Central Concourse (Building 350), Ground Level, Room No. 152D, designated as Space No. 350-152D, Overseas Terminal, being a portion of Honolulu International Airport, Honolulu, Island of Oahu and identified by Tax Map Key: 1st Division, 1-1-03: Portion of 50, as shown and delineated on the attached map labeled Exhibit B.

AREA:

Space No. HNL-350-152D, containing a floor area of approximately 2,490 square feet

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands (“non-ceded”) of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES__ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

To operate and maintain a VIP passenger lounge to provide food, beverage, flight information, newspapers and magazines, a business corner, internet connection, and fax service for pre-arranged tour members.

TERM OF LEASE:

Five (5) years, with the lease commencement date to be determined by the Director of Transportation.

LEASE RENT:

\$74,700.00 per annum, based on \$27.00 per square foot per annum, plus \$3.00 per square foot per annum for air conditioning, paid in advance in twelve, equal monthly installments of \$6,225.00 on the first day of each calendar month.

PERFORMANCE BOND:

Sum equal to the annual rental amount of \$74,700.00

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated December 16, 1992 and as amended on November 15, 2000, the subject request qualifies under exempt Class of Action No. 1 – “Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO ____
Registered business name confirmed:	YES <u>X</u>	NO ____
Good standing confirmed:	YES <u>X</u>	NO ____

REMARKS:

The State of Hawaii, Department of Transportation, Airports Division (DOTA) proposes to directly issue a lease to Hawaii HIS Corporation dba H.I.S. Hawaii (Hawaii HIS) in accordance with Section 171-59(b), Hawaii Revised Statutes, which provides in part, “disposition of public lands for airline, aircraft, airport-related agricultural processing, cattle feed production, aquaculture, marine, maritime, and maritime-related operations may be directly negotiated without regard to the limitations set forth in subsection (a) and Section 171-16(c) provided that the disposition encourages competition within the aeronautical, airport-related, agricultural, marine, maritime, and maritime-related operations;” And further provides that “ ‘Airport-related’ means a purpose or activity that requires air transportation to achieve that purpose or activity; or an activity that generates revenue for the airport system as provided in Section 261-7.”

Under the lease, Hawaii HIS will develop, operate, and maintain a VIP passenger lounge to provide food, beverage and other services from Space No. 350-152D at Honolulu International Airport for its pre-arranged travel tour members and affiliates.

Currently Hawaii HIS is under a revocable permit to operate lounge Space No. 350-152A at Honolulu International Airport, and DOTA does not have any objections to HIS continuing its lounge facilities operations under a lease for the requested term of five years.

In accordance to HRS 171-59(b) the DOTA does not have an objection to this lease request and finds the issuance of the lease an airport related purpose and in the public interest.

RECOMMENDATION:

That the Board approves of a Lease to Hawaii HIS Corporation dba H.I.S. Hawaii as hereinabove outlined and the following additional terms and conditions:

1. In the event Hawaii HIS shall admit any person into the Hawaii HIS’s lounge at the Honolulu International Airport who is not a prearranged travel tour member, then Hawaii HIS shall pay to the Lessor, five percent (5%) of the gross receipts paid to the Hawaii HIS for such performance (i.e. provisioning of food, beverage and other services);

2. Review and approval by the Department of the Attorney General.
3. Such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State.

Respectfully submitted,

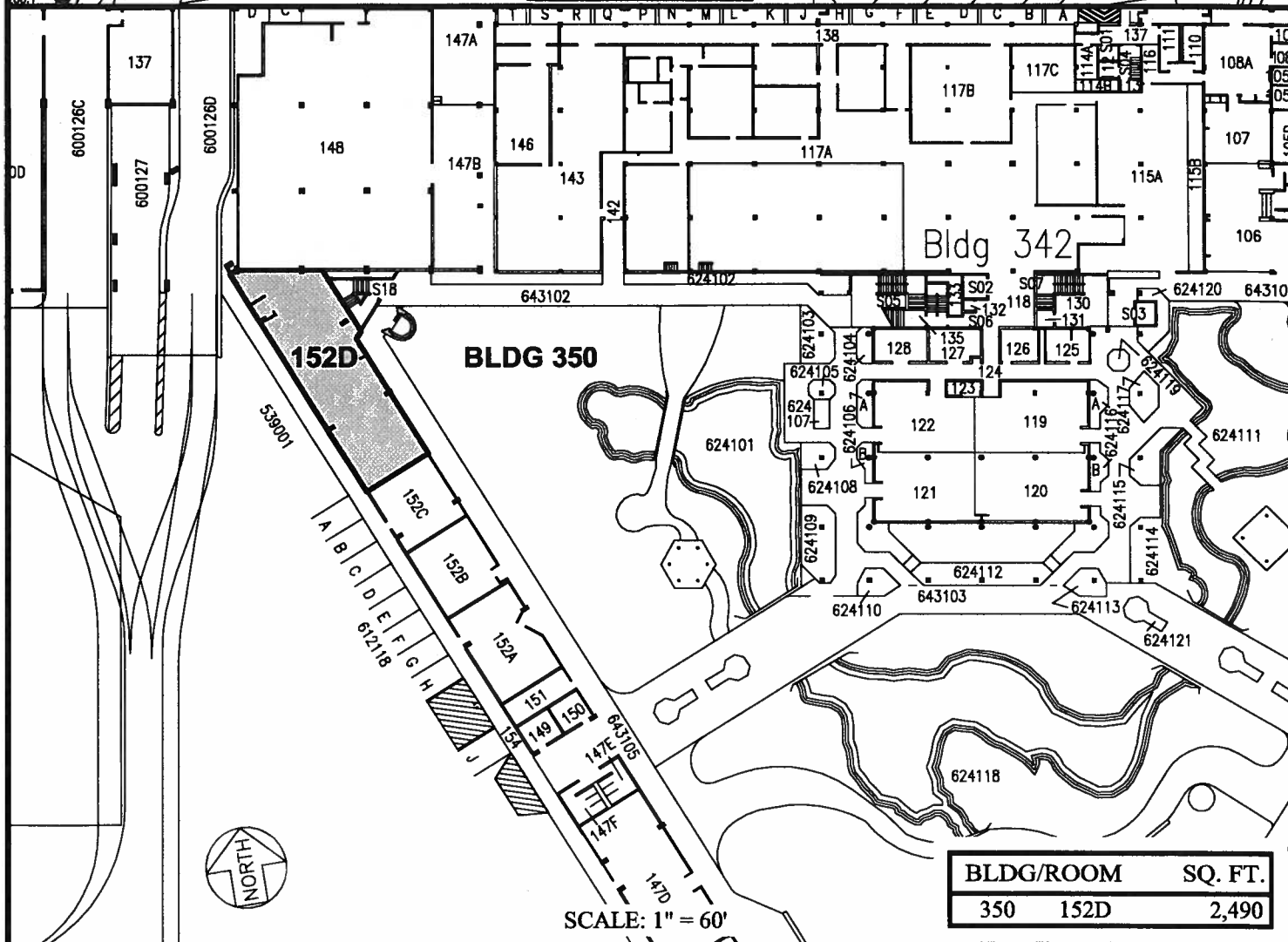
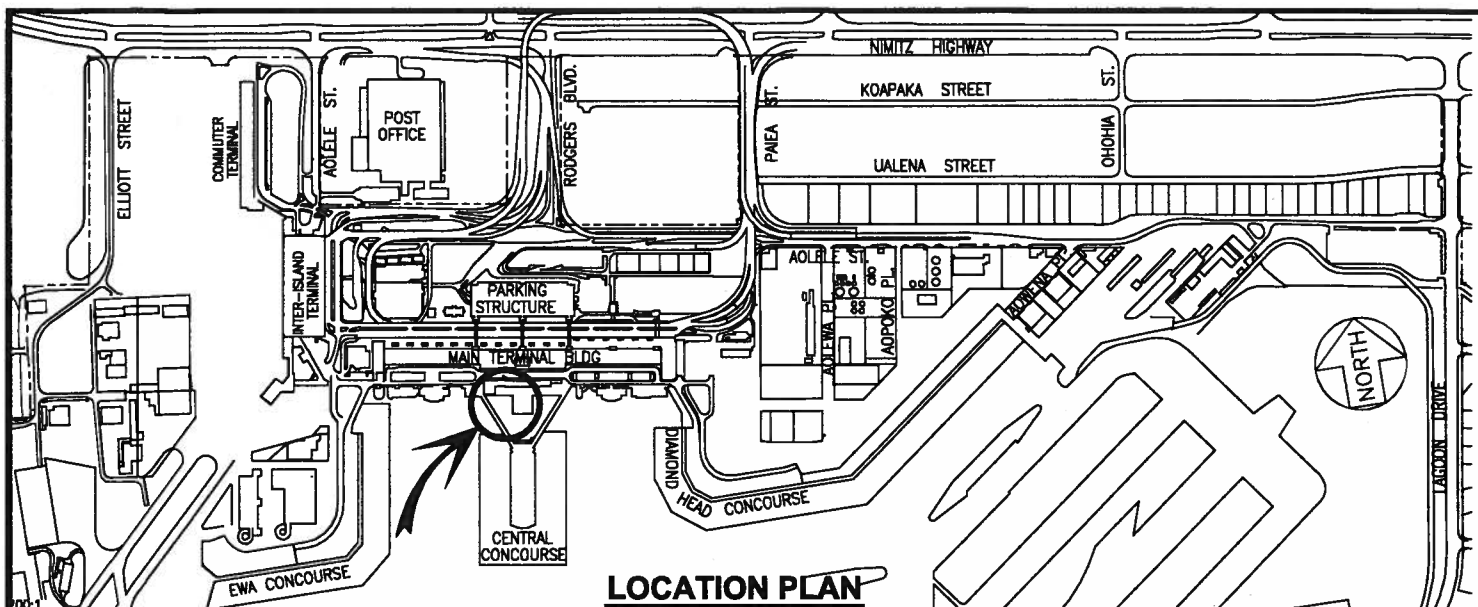


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



DATE : MARCH 2013

EXHIBIT: **B**



Airports Division

HAWAII HIS CORPORATION
DBA H.I.S. HAWAII

BUILDING 350
CENTRAL CONCOURSE
GROUND LEVEL

350152D
PLAT B1

HONOLULU INTERNATIONAL AIRPORT

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